JINDALEE

RESOURCES LIMITED

ABN 52 064 121 133

Half Yearly Financial Report

31 December 2004

JINDALEE RESOURCES LIMITED
AND CONTROLLED ENTITY

HALF YEARLY FINANCIAL REPORT
31 DECEMBER 2004

CORPORATE DIRECTORY

DIRECTORS

Donald Ross Kennedy - Non-Executive Chairman

Lindsay George Dudfield - Managing Director

Mark Richard Scott - Non Executive Director

CONTACT DETAILS

Website: www.jindalee.net

Email enquiry@jindalee.net

Telephone: + 61 8 9321 7550

Facsimile: + 61 8 9321 7950

REGISTERED OFFICE

Level 1, 3 Ord Street

WEST PERTH WA 6005

COMPANY SECRETARY

Ross Gregory Ledger

POSTAL ADDRESS

PO Box 1033

WEST PERTH WA 6872

STOCK EXCHANGE LISTING

Australian Stock Exchange

ASX Code : **JRL**

SOLICITORS

Blakiston & Crabb

1202 Hay Street

WEST PERTH WA 6005

AUDITORS

Horwath Perth

128 Hay Street

SUBIACO WA 6008

SHARE REGISTRY

Advanced Share Registry

Level 7, 200 Adelaide Terrace

PERTH WA 6000

Telephone: + 61 8 9221 7288

Facsimile: + 61 8 9221 7869

BANKERS

National Australia Bank

50 St Georges Terrace

PERTH WA 6000

JINDALEE RESOURCES LIMITED
AND CONTROLLED ENTITY

THE DIRECTORS' REPORT

Your Directors present the following report for the half-year ended 31 December 2004.

DIRECTORS INFORMATION

The names of the Directors in office during the whole of the half-year and up to the date of this report are:

Director	Qualifications & Experience	Special Responsibilities
D.R. Kennedy	B. Sc (Hons) 40 years experience	Chairman
L.G. Dudfield	B. Sc 25 years experience	Managing Director
M.R. Scott	M Sc, M Comm (Hons) 30 years experience	Non-Executive Director

REVIEW OF OPERATIONS

The principle activity of the Consolidated Entity is mineral exploration. The Consolidated Entity continued its strategy of acquiring prospective acreage and, where appropriate, introducing third parties to fund the higher risk and/or expensive stages of exploration. Management also evaluated a number of advanced projects during the period and will continue to appraise suitable opportunities to grow the Consolidated Entity.

The Consolidated Entity incurred an operating loss after income tax of $164,316.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required by Section 307C of the Corporations Act 2001 is included in this report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

L.G. DUDFIELD
Managing Director

Dated the 25th day of February 2005.

JINDALEE RESOURCES LIMITED
AND CONTROLLED ENTITY

DECLARATION BY DIRECTORS'

The Directors declare that the accompanying financial statements and notes set out on pages 4 to 8:

a) comply with Accounting Standards, the Corporations Regulations 2001, and other mandatory professional reporting requirements;

   and

b) give a true and fair view of the Consolidated Entity's financial position as at 31 December 2004 and its performance as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the Directors' opinion:

a) the financial statements and notes are in accordance with the Corporations Act 2001; and

b) there are reasonable grounds to believe that Jindalee Resources Ltd will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

L.G. DUDFIELD Dated the 25th day of February 2005.
Managing Director

JINDALEE RESOURCES LIMITED
AND CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2004

	Consolidated Entity	Parent Entity
	31/12/2004	30/06/2004
CURRENT ASSETS		
Cash	1,214,882	1,570,281
Receivables	27,902	28,608
Other financial assets	200,000	200,000
TOTAL CURRENT ASSETS	1,442,784	1,798,889
NON CURRENT ASSETS		
Property, plant & equipment	30,090	33,414
Exploration, evaluation & development expenditure	1,220,223	1,009,075
TOTAL NON CURRENT ASSETS	1,250,313	1,042,489
TOTAL ASSETS	2,693,097	2,841,378
CURRENT LIABILITIES		
Payables	26,067	10,255
Provisions	1,882	1,723
TOTAL CURRENT LIABILITIES	27,949	11,978
TOTAL LIABILITIES	27,949	11,978
NET ASSETS	**2,665,148**	**2,829,400**
EQUITY		
Contributed equity	2,993,518	2,993,454
Accumulated losses	(328,370)	(164,054)
TOTAL EQUITY	**2,665,148**	**2,829,400**

The above statement of financial position should be read in conjunction with the accompanying notes.

JINDALEE RESOURCES LIMITED
AND CONTROLLED ENTITY

STATEMENT OF FINANCIAL PERFORMANCE
For the half-year ended 31 December 2004

	Consolidated Entity	Parent Entity
	31/12/2004	31/12/2003
Revenue from operating activities	-	35,000
Revenues from outside the operating activities	37,828	44,226
Revenue from ordinary activities	**37,828**	**79,226**
Depreciation expenses	(3,324)	(4,074)
Employee benefits expenses	(27,250)	(27,459)
Exploration expenditure written off	(88,710)	(20,956)
Administration Expenses	(82,860)	(77,113)
Profit (loss) from ordinary activities before income tax expense	(164,316)	**(50,376)**
Income tax expense	-	-
Profit (loss) from ordinary activities after income tax expense	(164,316)	**(50,376)**
Net Loss	(164,316)	(50,376)
Total changes in equity other than those resulting from transactions with owners as owners	(164,316)	(50,376)
Basic earnings per share (cents)	(0.0078)	(0.0023)

The above statement of financial performance should be read in conjunction with the accompanying notes.

JINDALEE RESOURCES LIMITED
AND CONTROLLED ENTITY

STATEMENT OF CASH FLOWS
For the half-year ended 31 December 2004

	Consolidated Entity	Parent Entity
	31/12/2004	31/12/2003
Cash flows from operating activities		
Option fee received	40,000	-
Payments to suppliers and consultants	(112,223)	(120,434)
Interest received	37,828	44,226
Net cash provided by/(used in) operating activities	(34,395)	**(76,208)**
Cash flows from investing activities		
Proceeds from sale of tenements	-	35,000
Payments for exploration, evaluation & development expenditure	(321,068)	(280,851)
Net cash provided by/(used in) investing activities	**(321,068)**	**(245,851)**
Cash from financing activities		
Proceeds from conversion of options	64	47
Net cash provided by/(used in) financing activities	**64**	**47**
Net increase/(decrease) in cash held	**(355,399)**	**(322,012)**
Cash at the beginning of reporting period	1,570,281	1,985,962
Cash at the end of reporting period	**1,214,882**	**1,663,950**

The above statement of cash flow should be read in conjunction with the accompanying notes.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2004

NOTE 1: STATEMENT OF ACCOUNTING POLICY

This general purpose half-year consolidated financial report has been prepared in accordance with Accounting Standard AASB 1029: Interim Financial Reporting and other mandatory professional reporting requirements, (Urgent Issues Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. It is recommended that these accounts be read in conjunction with the financial accounts for the year ended 30 June 2004 and any public announcements made by Jindalee Resources Limited during the half-year in accordance with any continuous disclosure obligations arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the Consolidated Entity and are consistent with those of the previous financial year.

For the purpose of preparing the half-year consolidated accounts, the half-year has been treated as a discrete reporting period.

NOTE 2: EARNINGS PER SHARE

	31/12/2004 Cents
Basic earnings per share (loss)	(0.0078)
Diluted earnings per share (loss)	(0.0056)
Weighted number of ordinary shares on issue at end of the half year.	20,809,834
Diluted weighted number of ordinary shares on issue at end of half year.	28,883,367

NOTE 3: SEGMENT INFORMATION

Industry Segment

During the half year the Company operated in one industry, the mining exploration and prospecting industry.

Geographical Segment

During the half year the Company operated within Australia only.

NOTE 4: EQUITY SECURITIES ISSUED

	31/12/2004 $
Issues of ordinary shares during the period:	
Conversion of options to 250 ordinary shares during the half year	64

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the half-year ended 31 December 2004

NOTE 5: ACQUISITION OF CONTROLLED ENTITY

Jindalee Resources Limited acquired 100% ownership of Energy Metals Pty Ltd for a purchase consideration of $100. Energy Metals Pty Ltd was incorporated on 8 October 2004 and has acquired a portfolio of advanced uranium properties located in Western Australia and Northern Territory.

NOTE 6: CONTINGENT LIABILITY

There is a plaint for forfeiture over a tenement carried in the books at 31st December 2004 at $80,727. This plaint will be heard on the 24th February 2005. The Directors are defending this action and are of the opinion that no provision against the tenement is required.

NOTE 7: INTERNATIONAL FINANCIAL REPORTING STANDARDS

Australia is currently preparing for the introduction of the International Financial Reporting Standards (IFRS) effective for the financial years commencing on or after 1 January 2005.The entity's management, along with its auditors, are assessing the significance of these changes and preparing for their implementation. The directors will oversee and manage the transition to IFRS. The directors are of the opinion that the key differences in the entity's accounting policies which will arise from the adoption of the IFRS are:

Deferred Exploration Expenditure
Under AASB 106: Exploration for and evaluation of mineral resources, it is expected the company's existing policy for accounting for exploration and evaluation activity will comply with IFRS requirements and therefore no difference is expected to result from the treatment of costs or from impairment testing.

Impairment of Assets
In terms of AASB 136: Impairment of Assets, the recoverable amount of an asset will be determined as the higher of fair value less cost to sell and value in use. It is likely that this change in accounting policy will lead to impairments being recognised more often than under the existing policy.

Employee Benefits – Defined Benefit Superannuation Plan
AASB 119: Employment Benefits, equity-based compensation in the form of shares and options will be recognised as expenses in the periods during which the employee provides related services.

Financial Instruments
Under the AASB 139: Financial Instruments: Recognition and Measurement, financial instruments that are classified as available for sale instruments must be carried at fair value. Unrealised gains or losses may be recognised either in income or directly to equity:
Under AASB 139, a change will be required to the method of accounting for derivative financial instruments and hedging activities so that they are recorded in the financial statements.

Income Tax
Income tax will be calculated on the "balance sheet" approach, which will result in more deferred tax assets and liabilities, as tax effects follow the underlying transaction, some tax effects will be recognised in equity.

Comparatives
Changes in accounting policies will be recognised by restating comparatives rather than making current year adjustments with note disclosure of prior year services.

Horwath

Horwath Perth
ABN 13 412 308 092
Chartered Accountants
A member of Horwath International
128 Hay Street Subiaco WA 6008
PO Box 700 West Perth WA 6872
Email horwath@perth.horwath.com.au
Telephone (08) 9380 8400
Facsimile (08) 9380 8499

Independent review report to the members of Jindalee Resources Limited

Scope

The financial report and directors' responsibility

The financial report comprises the consolidated statement of financial performance, statement of financial position, statement of cash flows, accompanying notes to the financial statements, and the directors' declaration for Jindalee Resources Limited (the consolidated entity), for the half-year ended 31 December 2004. The consolidated entity comprises both the company and the entities it controlled during that half-year.

The directors of the company are responsible for the preparation and true and fair presentation of the financial report in accordance with the Corporations Act 2001. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

Review approach

We conducted an independent review in order to state whether, on the basis of the procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory financial reporting requirements in Australia and the Corporations Act 2001, so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows, and in order for the company to lodge the financial report with the Australian Securities and Investments Commission.

Our review was conducted in accordance with Australian Auditing and Assurance Standards applicable to review engagements. A review is limited primarily to inquiries of the company's personnel and analytical procedures applied to the financial data. These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Independence

In conducting our review, we followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

Horwath

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jindalee Resources Limited is not in accordance with:

(a) the Corporations Act 2001, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2004 and of its performance for the half-year ended on that date; and

(ii) complying with Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

(b) other mandatory financial reporting requirements in Australia.

Dated the 25nd day of February 2005.

HORWATH PERTH
Chartered Accountants

Horwath Perth

Glyn O'Brien

GLYN O'BRIEN
Partner